

# The President's Daily Brief

6 January 1973

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#### THE PRESIDENT'S DAILY BRIEF

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#### PRINCIPAL DEVELOPMENTS

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President Thieu is sending a delegation of five senators to Washington next week as part of an effort to explain his government's position on the peace talks and to seek continuation of US aid. (Page 2)

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Algeria

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East Germany's newly enhanced international status is causing Pankow some difficulties. (Page 4)

Soviet preparations are under way for what seems likely to be an unmanned lunar probe. (Page 5)

In Egypt, most student demonstrators are dispersing. (Page 5)

Prime Minister Mujib in Bangladesh is evidently trying to tone down the anti-US line taken in recent days by several of his key lieutenants. (Page 5)

The Australian Defense Ministry has announced that army strength will be reduced by 25 percent pending completion of a review of the country's defense program. (Page 6)

#### FOR THE PRÉSIDENT ONLY

#### SOUTH VIETNAM

While enemy action has increased moderately so far in January, the Communists apparently have not yet issued firm orders for a substantial new military campaign.

The Communists evidently continue to believe that peace negotiations will be considerably affected by further battle victories in the South. They seem to be moving cautiously, however, in deciding when and where to call for a major new effort.

cadre have been urged to accelerate their planning for major operations, and the Communist command would try to "strike a 25X1 heavy blow" on the battlefield if a cease-fire agreement was not negotiated soon. Another report described military action through mid-January as a "test offensive" to help determine the means of conducting a subsequent effort.

Substantial criticism of recent enemy military efforts appears in much of the covert Communist reporting now being obtained in the southern half of South Vietnam. The inability and unwillingness of some elements to carry out combat orders adequately appears to be a growing problem for the Communist command in planning the next stage of fighting.

#### SOUTH VIETNAM

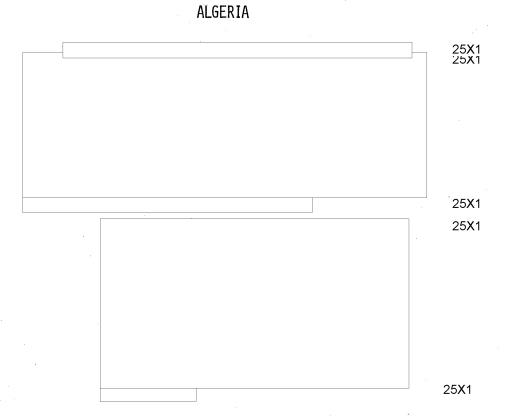
President Thieu is sending a delegation of five pro-government senators to Washington next week.

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The spokesman of the group arriving next week, Senator Nguyen Van Ngai, explained that his delegation plans to spend about three weeks in the US talking with selected US senators, congressmen, and leading personalities in the media field. His objective, he went on, is to explain the "valid rationale" behind the government's position on the peace talks and to seek to ensure continuation of US aid.

In mid-December, Thieu was planning to send a fairly large official delegation of the National Assembly for these purposes. He has evidently concluded that a series of smaller groups, traveling as though on their own initiative, might be more effective. Former foreign minister Tran Van Do and former ambassador Bui Diem have already arrived in the US as the first of Thieu's emissaries.

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#### EAST GERMANY

East Germany's newly enhanced international status is causing Pankow some difficulties. The regime expects trouble in making sites available for foreign missions in East Berlin.

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25X1

More important are the claims by Western countries stemming from Nazi sequestration of allied property in what is now East Germany during World War II and from subsequent Communist confiscations. Pankow's agreement with Finland last November to discuss "juridical and economic questions dating from World War II" could also encourage some countries to pose claims for "war damages." The Israelis, for their part, are contending that when Israel settled for two thirds of its original demands for reparations from West Germany, it was on the basis that the remaining one third would be sought from East Germany.

The Potsdam agreement, which provided that the USSR and Poland would obtain reparations from the Eastern Zone of Germany and that all other countries would obtain compensation from the Western Zones, presumably precludes claims for war damages against East Germany. Notwithstanding Pankow's apparent agreement to discuss such matters with the Finns, we doubt the East Germans have any intention of paying claims for war damages. Restitution claims are another matter, however, and this issue may well serve to slow the pace of normalization negotiations with a number of countries.

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#### NOTES

<u>USSR</u>: Preparations are under way for what seems likely to be an unmanned lunar probe.

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Favorable conditions for launching a spacecraft to the moon will exist from 8 until 11 January. The most recent Soviet lunar probe was in February 1972.

Egypt: Most student demonstrators are dispersing following the government's order of 3 January closing the universities. Although scattered protests may occur during the next few days, security forces are likely to break up any demonstrations quickly. These forces will remain on guard when classes resume in three weeks. Support for the students from other elements of the population did not materialize. The government had been concerned that laborers or some military personnel might join the protesters.

Bangladesh: Prime Minister Mujib is evidently trying to tone down the anti-US line taken in recent days by several of his key lieutenants who had blamed US as well as Chinese "agents" for growing anti-government agitation. He told a public rally on Thursday that his government is obliged to protect foreign missions and must now pay for the damage to USIS centers. Nonetheless, at last word the USIS building in Dacca remains partly occupied by leftist students. It was taken over on 2 January following a deal whereby the police withdrew on the students' promise that they would not damage the building. The government, however, now appears to have given free rein to its own student supporters. On 5 January, they set fire to the headquarters of a leftist party in Dacca and destroyed the "martyrs' monument" erected in front of the USIS building to commemorate the two student demonstrators killed by police there a few days ago.

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Australia: The Defense Ministry has announced that army strength will be set at 31,000 pending completion of a detailed review of the five-year defense program. This represents a reduction of about 25 percent from the present force level and takes into account the fact that army strength cannot be maintained now that the new government has ended conscription. The results of the review-expected sometime this spring-could freeze army strength at about 31,000. The government has stated its willingness to maintain defense spending at current levels, nearly 3.5 percent of the gross national product.